

# LOGISTICS OF EXPORTING TO EURASIA

## Customs Clearance Process in Azerbaijan

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### **I. General Market Info**

Key legislation regulating customs rates and procedures for goods imported into Azerbaijan came into force in 1997. On April 20, 2004, Azerbaijan introduced a new tariff schedule, replacing the previous streamlined tariff regime that was established in 1997 and updated in 1999 and 2001. Specific customs duties were substituted by ad valorem rates (15%), which met the recommendation of the International Monetary Fund.

Azerbaijan uses the metric system for weights and measures. Small appliances use European standard plugs and electric connectors. The State Veterinary Committee (SVC) is responsible for ensuring basic health standards on imported food and animal products. State plant quarantine inspection laws ensure standards on products that may carry diseases, pests and/or weeds that have quarantine significance for Azerbaijan. Goods subject to inspection include plants, certain foodstuffs, wood, and leather. A State Agency on Standards, Patenting and Metrology provides functions such as patenting and others standards areas. The Azeri government will also consider adoption of some European Union customs standards. Defunct Soviet Customs standards will be abandoned and replaced with new Azerbaijani standards and international standards.

Azeri government regulations prohibit the export of weapons, explosives, radioactive materials and wastes, narcotics, and psychotropic drugs. In addition, it regulates the export of strategic commodities produced in Azerbaijan. At present, strategic commodities include: petroleum products, cotton, electric power, and non-ferrous metals. Potential buyers of such commodities must get the approval of the State Commission on Supervision of Foreign Economic Relations.

Customs duties do not apply to goods imported under bilateral free trade treaties between Azerbaijan and foreign states. Importers are subject to the payment of a customs processing fee in the amount of 0.015 percent of the declared customs value or a minimum of 16,500 manat (\$3.40), whichever is greater. However, it has been reported that the rate of 0.015 percent has not been applied consistently at all ports of entry in Azerbaijan. This fee is payable regardless of whether the goods are exempt from customs duties or VAT. U.S. firms should be forewarned that customs clearances can be problematic and time-consuming.

*U.S. Trade (Imports, Exports and Trade Balance) with Azerbaijan*

Trade with Azerbaijan: 2004

*NOTE: All figures are in millions of U.S. dollars.*

Month	Exports	Imports	Balance
January 2004	13.4	1.7	11.7
February 2004	13.4	2.1	11.3
February 2004	13.4	2.1	11.3
March 2004	12.4	0.3	12.1
February 2004	13.4	2.1	11.3
March 2004	12.4	0.3	12.1
April 2004	7.9	2.9	5.0
May 2004	9.3	0.3	9.0
<b>TOTAL</b>	<b>56.4</b>	<b>7.3</b>	<b>49.1</b>

Total Imports from U.S.: 119.7 million (2003)

Source: [www.census.gov](http://www.census.gov)

Total Volume of Azeri Imports: USD958 million (Jan-April 2004)

Total Volume of Azeri Imports: USD2.6 billion (2003)

Source: State Customs Committee, [www.az-customs.net](http://www.az-customs.net)

## II. Customs Clearance

Azerbaijan requires import licenses for food products of animal origin. The State Veterinary Committee (SVC) issues these licenses. Large-scale satellite dishes and other communications equipment must receive the permission of the Ministry of Communications and Information Technologies.

Azeri legislation imposes special rules on labeling of food and agricultural products. The labels must be in Azeri or at least in Russian or Turkish. English labels are also acceptable if information in Azeri is also provided, although compliance, as seen on supermarket shelves, is spotty at best.

Azeri legislation requires the following product information to appear on the label, however compliance is poor:

- Name and brand of the product
- Name and address of producing company
- Country of origin
- Expiration date/shelf life
- Nutrition and caloric values
- Net weight (grams or kilos)
- Usage instructions
- Name and type of packing material
- Storage instructions
- Licensing and certification information etc.
- Special warnings, if applicable

If the product has a shelf life of under three months, it must include the day, month, and year of expiration. If the shelf life is more than three months but less than eighteen months, the month and year are required. Products with a shelf life of more than three years are technically not allowed for sale in Azerbaijan, however compliance is weak. Fruit products must be labeled. Another regulation requires that labels for fruit “juices” specify whether the product contains fruit juice (90-100% concentrate), nectar (25-50% concentrate), or fruit drinks (up to 10% concentrate).

*Customs offices located on border between Azerbaijan and Russia:*

1. For Khachmaz Customs House:

Samur Customs Post (motor way) operating duty - 24 hours;

Yalama Customs Post (railway) operating duty - 24 hours;

Khudat Customs Post (motor way) operating duty - 24 hours;

Shirvanovka Customs Post (motor way) operating duty - 24 hours.

*Customs offices located on border between Azerbaijan and Turkey:*

1. For Customs Committee of Nakhchivan Autonomous Republic:

Sadarak Customs House (motor way) operating duty from 09:00 to 22:00;

*Customs offices located on border between Azerbaijan and Georgia:*

1. For Tovuz Customs House:

Siniq Korpu Customs Post (motor way) operating duty - 24 hours;

Sadixli Customs Post (motor way) operating duty - 24 hours;

Boyuk Kesik Customs Post (railway) operating duty - 24 hours;

2. For Balaken Customs House:

Mazimchay Customs Post (motor way) operating duty - 24 hours;

Muganli Customs Post (motor way) operating duty - 24 hours;

*Customs offices located on border between Azerbaijan and Iran:*

1. For Customs Committee of Nakhchivan Autonomous Republic:

Julfa Customs House (motor way) operating duty - 24 hours;

Shahtakhti Customs Post (motor way) operating duty from 09:00 to 19:00.

2. For Astara Customs House:

Astara Customs House (motor way) operating duty from 09:00 to 21:00 daily.

3. For Bilesuvar Custom House:

Bilesuvar Border Check Point (motor way) operating duty from 09:00 to 18:00 daily;

Thursday from 09:00 to 16:00; Monday from 09:00 to 16:00; - Friday - day off.

4. For Khudaferin Customs House:

Imishli Customs Post (motor way) operating duty from 09:00 to 18:00;

Horadiz Customs Post (motor way) is not operating.

*Customs offices located on sea border between Azerbaijan and Russia, Kazakhstan, Turkmenistan and Iran:*

1. For Baku Head Customs Administration:

Ferry Customs Post (marine) operating duty - 24 hours;

2. For Energy Customs House:

Liman Customs Post (marine) operating duty - 24 hours;

Dubendi Customs Post (marine) operating duty - 24 hours.

*Customs offices located on air border of Azerbaijan:*

1. For Customs Committee of Nakhchivan Autonomous Republic:

Airport Customs Post (air transport) operating duty - 24 hours;

2. For Head Customs Administration in Air Transport:

Head Customs Administration in Air Transport (air transport) operating duty - 24 hours;

Ganja Customs Post (air transport) operating duty - 24 hours.

## **Customs Regimes**

Goods imported into Azerbaijan for processing and then re-exported are subject to normal duties and taxes at the time of importation. As soon as processing has been completed and the goods are re-exported, a draw-back procedure can be initiated to recover the taxes and duty paid. There is no formal procedure for submitting an application. Customs establishes the time for the processing and re-export of the goods, usually within two years. In addition, Customs may also stipulate a minimum amount of finished product to assure that the imported goods are utilized for the purpose intended.

Provisions for the importation of goods and equipment are an integral part of production sharing agreements (PSAs). Goods, tools, equipment, supplies, and services necessary for successfully carrying out the objectives of the PSA are generally exempt from import duties and taxes. By extension, foreign firms registered to do business in Azerbaijan and who provide services for contractor parties (CP) or foreign subcontractors (FSC) participating in PSAs may also be exempt from duties and VAT on imported goods and equipment relevant to their work.

The following is a non-exhaustive list of items exempt from import duties:

- Films for x-rays; medicine for veterinary use; biological preparations and veterinary supplies; packaged baby food; most pharmaceutical goods; prostheses; natural gas; electric power; powder for military purposes; fireworks, rockets, pyrotechnic articles for military purposes; military ships and spare parts; tanks and similar military machines; weapons; wheelchairs and spare parts.
- Goods and property for official use by diplomatic missions and equivalent missions in Azerbaijan and for private use by diplomatic and administrative employees of these missions and their resident family members.

- Humanitarian aid for free distribution delivered by properly registered humanitarian organizations and by other legal entities and physical persons under the permission of State Commission on International Humanitarian Aid.
- Property to be used as contribution by a foreign investor to the charter fund of a joint venture or for the creation of an enterprise fully owned by a foreign investor.
- Goods delivered to Azerbaijan for a limited term and to be returned unchanged to the country of origin under pre-defined conditions (VAT shall be paid at entrance and reimbursed at exit).
- Property of foreign employees of enterprises with foreign investment in Azerbaijan for private use.

### **Temporary Import**

Personal items, tools of trade, and business samples may be imported with little problem. Goods to be displayed or exhibited may be brought in as temporarily imported goods for a period of time, but must be re-exported within the time stipulated to avoid paying import duties and taxes. U.S. firms planning to exhibit at major trade exhibitions in Azerbaijan need to work closely with the show organizer well in advance to ensure timely and proper temporary declaration of goods to be exhibited. If sending samples via express mail, firms should contact the local office of the courier service to get advice on declared customs value to avoid protracted and costly problems with Customs officials. Business representatives traveling with laptops must declare them at time of entry, but have generally not encountered problems bringing in or taking out cellular phones or laptops. Temporary entry forms covering laptops must be surrendered on departure.

### **Customs Warehouse**

A license from the Cabinet of Ministers of the Azerbaijan Republic is required to establish a customs warehouse; licenses are granted only to Azerbaijani legal entities and Azerbaijani persons. Imported goods may be kept in a customs warehouse for up to three years duty-free. Once the goods are released from the warehouse, they are subject to all applicable duties and taxes. The customs warehouse will also assess charges for demurrage. The rate for this charge should be negotiated with the customs warehouse prior to consignment to the warehouse to avoid any costly misunderstandings. Goods and equipment maintained in customs warehouses and not released are exempt from import duties and taxes for up to three years. If the goods or equipment are released from the customs warehouse, all import duties and taxes become payable unless another exemption applies.

### **Re-import/re-export**

Azerbaijan's Customs Code establishes procedures for goods, which are imported into Azerbaijan for processing and subsequent export. Under the new code, import duties and VAT are payable upon import of the goods. If the goods are processed and exported from the customs territory of Azerbaijan, all import duties and VAT paid on import are to be refunded from the budget upon export. The new code requires companies that desire to import products for processing and re-export to obtain a license from the Customs Committee. There is no formal procedure specified for making an application for such a license. Legislation does state, however, that the Customs Committee is allowed to

determine the time period for the processing of goods, based upon an "economically reasonable" time not to exceed two years for reprocessing and arranging to export the final products. The Customs Committee is also allowed to determine the minimum expected output given the products imported.

### **Duty Free**

Duty-free shop regulates customs when commodities are sold under the customs regulations on the customs territory of the Azerbaijan Republic. These territories include Heydar Aliyev International Airport, Baku International Sea Port and other Ports and Customs Houses determined by Azeri customs authorities without a waiver of customs duties, taxes and applicable measures of economic policy to commodities. Duty-free shop may be established by the State Customs Committee under the license issued by Customs, which specifies terms and conditions subject to change.

### **Free Trade Zones**

The Azerbaijan Customs Code provides for the establishment and operation of bonded warehouses within Foreign Economic Zones (FEZs). While legislation in the mid-1990s was to establish a FEZ in Sumgait, this project was never implemented.

### **Bonded Warehouse**

Azeri Customs Code provides for regulations on the establishment and operation of bonded and customs warehouses; as of Summer 2004. One bonded warehouse is poised to open in Salyan Highway pending final approval from the Customs Board.

## **3. Customs Documentation:**

### **Import-Export Documentation**

Importers are required to provide the Customs Authority with:

1. Signed import contract (and contract number);
2. Customs declarations specifying what goods are being imported;
3. Invoice for the goods imported;
4. Permission from the relevant ministry if imports include pesticides, medicines, or weapons and ammunition;
5. Bill of lading;
6. Sales invoice and packing list;
7. Certificate of origin; and
8. Certificate of quality of the imported merchandise.

Exporters are required to provide the State Customs Committee with:

1. Document verifying the legal status of the business entity;
2. Legal entity's code determined by the State Statistics Committee;
3. Copy of the contract (and contract number);
4. Certificate of origin of the product being exported;

5. Document issued by an authorized bank on the pre-payment or opening of a letter of credit for the exported product;
6. Permission of the Cabinet of Ministers if exporting weapons, ammunition, nuclear technology and explosives, and permission of appropriate ministries if exporting certain animal bones, medicinal raw materials, information about natural resources, inventions, precious stones, and antiques;
7. Sales invoice and packing list; and
8. Customs declaration.

#### **4. Transaction Terms - Buyer/Seller Responsibilities**

N/A

#### **5. Customs Payments**

##### **Commodity Classification and Customs Valuation**

Valuation of goods imported into Azerbaijan is based on the declared value that appears on the invoice. Import duties of 0.5, 3, 5, 10 and 15% are then assessed accordingly, based on the Customs Tariff schedule of the Azerbaijan Republic

##### **Import Duty**

All imports are subject to duties at uniform rates of 15, 10, 5, 3, or 0.5 percent of the declared customs value, or are duty free. Most goods are subject to the 15 percent maximum. The following non-exhaustive list provides import tariff rates for a range of goods:

<u>Category</u>	<u>Percent</u>
Live animals (except breeding stock)	15
Grain products	5
Ores	0.5
Organic and non-organic chemical products	mostly 0.5
Fertilizer	0.5
Seeds	0.5 & 3
Tobacco	15
Wood and wood products	mostly 10
Paper and cardboard products and wastes	0.5, 3, 5, 10, 15
Textiles	0.5
Cotton	15
Chemical fibers and fabric	5 & 10
Ferrous metals	5
Articles from ferrous metals	10 & 15
Copper	0.5
Articles from cooper	5, 15
Nickel	0.5
Lead	0.5
Zinc	0.5

Tin	0.5
Some types of vehicles	mostly 15
Ships	mostly 0.5
Medical equipment	0.5
Syringes	0.5
Goods, tools, equipment, supplies, and services necessary for carrying out the objectives of the PSA	Exempt from import duties and taxes

Source: State Customs Committee

### Excise Tax

Alcoholic beverages and tobacco products are subject to both quantitative restrictions and import licenses. In addition to customs duties, an 18 percent VAT was introduced on January 1, 2001. Goods from CIS countries (except Kazakhstan) are assessed VAT in their country of origin, not in Azerbaijan. There is a regulation on procedures of application of excise marks to alcoholic beverages and tobacco products imported to Azerbaijan. The amount to be transferred to the account of the corresponding customs body for purchase of marks will be calculated base on the following formula:

$$A = P_m \times N$$

Where A is the amount of the money required for purchase of marks, P<sub>m</sub> is the price per mark and N is the number of goods (number of boxes for tobacco goods and bottles for alcohol drinks) subject to marking.

Excise duty to be paid upon the customs declaration of goods will be calculated based on the following formula:

$$A_e = T \times E_p$$

Where A<sub>e</sub> is the amount of excise duty to be paid (in manats), T is the total amount of the excise duty calculated and E<sub>p</sub> - is the total excise duty paid upon purchase of the marks.

Application for purchasing of the excise collection marks can be downloaded from <http://www.az-customs.net/en/regulations1.htm>

### VAT

The following list provides commodities exempted from VAT (imports):

HS Code	Commodity	Group
010111000	Pedigree animals	01
010201000	Cattle	01
010310000	Pigs	01
010410100	Sheep	01
010420100	Goats	01
010511190	Birds	01



040249110	Milk for infants not exceeding 500 grams	04
040700	Breeding eggs only (for incubation)	04
0510	Animal Products for pharmacy	05
051110000	Biological preparations	05
051199500	Cattle embryos	05
060210	Not-rooted grafts	06
060220	Edible fruit and nut trees and bushes – inoculated	06
060290410	Forest trees	06
060290450	Rooted graft and young vegetation	06
070110000	Potato – for sowing, seasonal, from October to November and from February and March only	07
071290110	Maize – for sowing	07
071310100	Pea – for sowing	07
071320100	Nut – for sowing	07
071331100	“Vigna Mungo” haricot bean – for sowing	07
071332100	Red, small haricot bean – for sowing	07
071333100	Haricot bean – for sowing	07
071339100	Other types of haricot beans – for sowing	07
071340100	Lentil – for sowing	07
071350100	Feeding beans – for sowing	07
071390100	Other beans – for sowing	07
100300100	Barley – for sowing	10
100400000	Oats – for sowing	10
100510190	Maize – for sowing	10
100610100	Rice – for sowing	10
100700100	Sorghum hybrids – for sowing	10
100830000	Canary seeds	10
10089010	Triticale – for sowing	10
12	Oil and other seeds, straw, forage, except for positions (1202; 1206; 1211; 121291)	12
190110000	Formula (packed)	19
230400000; 230670000	Mixed fodder, its components used in agriculture to feed birds and animals	23
250100310	Industrial salt used for chemical transformations (separation of sodium from chloride)	25
250100510	De-natural salt or for industrial purposes	25
250200000	Unburned pyrites	25
250300	Sulfur of all types (except for sublimated, precipitated or colloid)	25
2504	Natural graphite, graphite plates	25
250510000	Natural quartz sand – all types	25
2506	Quartz (except for natural sand)	25
250700	Kaolin and other kaolin clays, calcimined or not calcimined	25
250830000	Fire-proof clay	25
2510	Calcium phosphates natural (phosphate rocks), aluminum-	25

	calcium phosphates, phosphate chalk	
2511	Barium sulfate natural (barite), natural barium carbonate (viterite), calcified and not calcimined (except for barium oxide)	25
252100000	Limestone gumboil for preparation of lime and cement	25
2528	Natural borates and their concentrates	25
253010100	Pearlite	25
26	Ores and slugs	26
270111100	Anthracite	27
070112100	Coal for cooking	27
270120000	Fuel prepared of coal (briquettes)	27
270900900	Oil, crude only by transit-exchange (swap) operations	27
271121000	Natural gas	27
271220000	Technical paraffin	27
271000210	White-spirit	27
271600000	Electric power	27
28	Non-organic chemistry products	28
29	Organic chemical compounds	29
30	Pharmacy products (except for codes 3005; 300640000; 300650000)	30
31	Fertilizers	31
3601; 3602	Gun-powder, explosives	36
360490000	Signaling and rain rockets, fog signals, imported by the Ministry of Defense only	36
370110100	Photo-plates for medical, dentistry and veterinary purposes	37
370210000	x-ray films	37
3801-3804	Other chemical products	38
3808	Insecticides, rodenticides, fungicides, herbicides, substances, regulating growth of plants, disinfectants and similar products	38
390110100; 3901200000; 3902 to 3914; 392030000	Polymers, including low pressure polythene	39
4001 to 4008	Rubber	40
401199100	Tires for mechanisms used in agriculture and forest economy (tractors, combines, sowing-machines)	40
4406	Sleepers for railways	44
45	Plug	45
470100 to 4706	Paper, cardboard mass from timber or other filament cellulose materials	47
480100	Newsprint	48
4901; 4902	Book, newspaper and magazine publications	49
490700100	Post stamps	49

490700300— 490700990	Securities	49
500100000	Silkworm cocoons suitable for reeling	50
6903	Fireproof ceramic products	69
7102	Diamonds	71
711510000	Catalysts in the form of wire net or platinum grating	71
711021000	Palladium	71
7201	Cast iron	72
7202	Iron alloys	72
7203100000	Products of direct reduction of iron-ore (pellets)	72
720917900; 720927100; 721123910	“Electric Technical” steel	72
721499610	Steel plates, imported for the manufacturing of household refrigerators only	72
7302	Products, rails for railways and tram ways	73
730810000	Bridges and bridge segments	73
730840900	Metallic supports, fastening materials used in construction	73
730890100	Sluices, floodgates, docks and other marine and vessel structures	73
7401 to 7407	Copper	74
7412	Copper fittings for pipes and tubes (e.g. sleeves, bends, flanges and etc.)	74
740811000	Copper wire with more than 6 mm thickness	74
74199900	Copper crystallization – imported for metallurgy only	74
75	Nickel	75
7601 to 7608; 760900000	Aluminum and aluminum plates, rolls, wire	76
78	Lead	78
79	Zinc	79
80	Tin	80
81	Other metals (tungsten, molybdenum, tantalum, cadmium, titanium, zirconium, chrome, germanium) and other products	81
8401 to 8409	Central heating boilers and secondary equipment, gas generators, turbines, combustion engines, their parts	84
8410 to 8412	Hydraulic turbines and gas turbines, pipe jet and hydraulic jet engines, vane and hydraulic	84
841340000	Concrete pumps	84
841330100; 841350100 to 843370990	Hydraulic and other pumps, one or two phase pumps for civil aviation	84
841430	Compressors	84
841480100 to 841480710	Turbo compressors and rotary volume compressors	84
841590100	Parts for air conditioning units	84

8417	Non-electric industrial and laboratory ovens and chambers	84
841899900	Vaporizing panel for household refrigerators only	84
841911000 to 841960000	Non-inert water heaters or heating water batteries	84
841989100 to 841990950	Coolers and heaters	84
8420	Calenders and other unsteady (roller) machines	84
842481 to 842490000	Mechanical units for the spreading of liquid and powder materials, fire extinguishers	84
8425	Lifting equipment	84
8426	Vessel derrick cranes and other lifting cranes	84
8427	Vehicle loaders and other loaders equipped with lifting and loading/unloading equipment	84
8428	Other lifting and transporting machinery and equipment (for example elevators, escalators, conveyers and rope ways)	84
8429	Bulldozers, graders, excavators, scrapers, ramming machines	84
8430	Other machines and mechanisms for ramming, digging, extraction of minerals and mining, snow cleaning	84
8431	Parts of equipment indicated in positions 8425-8430	84
8432 to 8436	Agricultural, gardening, forestry machinery, mechanisms for the preparation and treatment of soil, machinery and mechanisms for the collection and threshing of agricultural products, presses for straw and hay; sorting of eggs and other agricultural products, apparatus and equipment for bird-breeding, bee-breeding, milking, as well as milk processing equipment	84
8437	Machinery for cleaning of seeds and wheat, equipment for flour industry, wheat processing	84
8438	Equipment for food industry	84
8439 to 8444	Equipment for paper mass production, cellulose fiber materials, products of paper and cardboard, publishing equipment	84
8445 to 8449	Equipment for textile industry	84
8453 to 8466	Equipment for leather treatment and metal treatment	84
847130000; 847141; 847160; 847170	Calculating machinery and its skids ( up to 1 year from the date of manufacturing)	84
847330100	Electronic skids	84
8474 to 8475	Equipment for minerals	84
8477 to 8480	Equipment for manufacturing of rubber and plastic, tobacco, special machinery and mechanisms, molding templates, models for molding	84
848200000; 848280000	Cone and ball bearing sets imported only for the processing lines of metallurgy, locomotives, wagons and trains	84
8483	Transmission gear, tooth wheels, reduction mechanisms,	84

	couplings and other parts of mechanisms	
8484 to 8485	Metallic seals, fans of vessels and their parts	84
850120	Universal engines for direct and alternating currents (power above 37,5 watt)	85
850131100	Direct current generators for civil aviation	85
850132100	Engines and generators for civil aviation (power from 750 watt to 75 kwatt)	85
850133100; 850134; 850151100; 850152100	Electric engines for civil aviation	85
850153100; 850153500; 850153390; 850153990	Electric engines with the power above 75 kwatt	85
850211100	Electricity generation unit with the capacity above 75 kwatt for civil aviation	85
850212 to 850213	Electricity generation units with the capacity above 75 kwatt	85
850220100	Electricity generators with combustion engines for civil aviation	85
850239	Turbo generators, other electrical generators for civil aviation	85
850240	Electrical rotating transformers	85
850300	Parts for commodity positions 8501 or 8502	85
8504 to 8505	Transformers, electrical transformers, electric magnets	85
8514	Industrial or electrical laboratory ovens and chambers	85
851750100	Telephone stations, instrumentation for carrying or digital wiring, parts for position 851750100	85
851790; 852290910	Electronic skids, parts and accessories	85
852510100	Radio telephone, radio telegraph, radio and TV broadcasting equipment	85
852520100	Telegraph or telephone radio equipment for civil aviation	85
852530100	TV cameras	85
8526	Radio location, radio navigation, and remote controlled radio equipment	85
852990700	Electric skids (for commodity positions 8525-8528)	85
8530	Electric alarm equipment	85
8531	Appliances, equipment and materials assigned only for ensuring of safety at airports, being a part of system of electronic protection along the perimeter of fencing of its territory	85
8532	Electric condensators	85
8533 to 8536	Resistors, multi level printing circuits, electric safe switches	85

8537	Operating panels for electrical equipment	85
8538	Spare parts (for commodity positions 8535, 8536 or 8537)	85
853990100	Plinths for lamps	85
8540; 8541; 8543	Electronic lamps and tubes, transistors, integral circuits, microprocessors, memory units, machines and other electrical instruments	85
86	Locomotives	86
8701	Tractors	87
8703	Specially equipped patrol-guarding vehicles imported only for ensuring of road safety (from the moment of production of which has passed less than 1 year and which were not used)	87
870323199	Special vehicles for medical needs only	87
8705	Special purpose vehicles	87
870600	Chassis with engines installed (only when imported for assembly by groups 8701; 8702; 8704)	87
870790100	Kits	87
8707 to 8708	Spare parts (only for group 8701)	87
8709 to 8710	Transportation means for the forwarding of cargoes, radioactive substances for short distances, military transportation means, vehicles	87
8711	Escort motorcycle , specially equipped only for road police (from the moment of production of which has passed less than 1 year and which were not used)	87
8713; 871420000	Handicap chairs and their spare parts	87
871620	Trailers and semi-trailers for agriculture	87
871639100	Trailers and semi-trailers for the transportation of highly radioactive materials	87
88	Flying apparatus	88
8901 to 8902	Vessels	89
8904 to 8908	Tows, floating rigs for drilling	89
9001; 900290100	Fiber optic cables, optic elements	90
901041000	Equipment for installation of circuits on semiconductor plates	90
9011 to 9013	Complex microscopes, de-fraction apparatus, liquid crystal instrumentation, periscopes, telescopic units	90
901420	Instrumentation for air navigation and airspace navigation	90
9015	Topographic, hydrographic, geophysical and meteorology instrumentation	90
9018 to 9019	Medical and veterinary instruments, tools and equipment, needles, mechanic therapy equipment and artificial breathing apparatus	90
902111000 to	Orthopedic equipment, artificial limbs	90

19900		
902130 to 902190900	Eye prosthesis, hearing aids, cardiology stimulators and their parts	90
9022 to 9024	Instrumentation based on x-ray, beta-ray and gamma-ray, scientific-research instrumentation, instrumentation testing of mechanical properties of materials	90
9025 to 9030	Meters, thermometers, barometers, instrumentation and equipment for liquid and gas measurement, gas, water, power meters, oscillographs and spectrometers	90
903180100	Measuring equipment for civil aviation	90
903210100; 903220100; 903281100; 903289100; 903290100	Automatic regulation and monitoring equipment and instrumentation for civil aviation	90
93010000; 9302	Arms and ammunition	93
9305 to 9306	Parts to arms and ammunition	93
97	Art works	97

Source: State Customs Committee

Note: The commodities exempted from VAT are determined in accordance with their HS code in Trade Catalogue of Foreign Economic Activity. If commodities classified under Group 84 and 85 are used for more than 2 years, they will be a subject to VAT.

### Customs Processing Fee

All customs service payments are to be paid in Azeri Manats at the exchange rate set by the Azeri National Bank on the day of the submission of customs declaration. For information on current exchange rates, please visit the website of the National Bank of Azerbaijan <http://www.nba.az/eng/rates.php>.

Decree No. 62 establishes a number of customs service fees and instructions, including the following:

- For movable property and goods imported to Azerbaijan as a contribution to the charter fund of a business: 0.25 percent of the customs value;
- Any goods imported or exported for which payment is made in hard currency: 0.15 percent of the customs value (not less than US\$5);
- Consignment transactions, irrespective of the destination country, including CIS: 0.25 percent of the customs value.

## 7. Prohibited or Restricted Imports

Azerbaijan prohibits the import of radioactive materials and wastes, narcotics, and psychotropic drugs. Special permission is required to import weapons, explosives, and certain radioactive equipment used in the oil industry.

## **8. Membership in Free Trade Agreements**

Azerbaijan has signed bilateral free trade agreements with seven states of the former Soviet Union, although the trade liberalizing provisions of most of the agreements have not yet taken effect. Azerbaijan signed agreements with: the Russian Federation (September 1992); Moldova (May 1995); Ukraine (July 1995); Turkmenistan (March 1996); Uzbekistan (May 1996); Georgia (June 1996); and Kazakhstan (June 1997). Signatories agree not to apply duties, taxes and charges that equally affect exports and imports between them. Currently, Azerbaijan does not apply customs duties to imported goods from Russia, Georgia, Kazakhstan, or Ukraine.

Azerbaijan joined the agreement on the establishment of a free trade zone within the CIS on April 26, 1994. It provides that signatories agree not to apply duties, taxes and charges on exports and imports between them. This agreement and subsequent amendments have not been fully implemented.

In July 1999, Azerbaijan entered into a Partnership and Cooperation Agreement with European Union. Among its goals is making legislation in Azerbaijan compatible with the EU body of law. This includes the protection of intellectual property rights, assets and investments, and corporate and personal belongings against abuse. It also awarded Azerbaijan most favored nation (MFN) status with the EU. In addition, Azerbaijan is currently seeking WTO membership and was recently granted USD 1 million from the U.S. Trade Development Agency to support its application, however accession is not likely before 2005

## **9. Applicable Legislation**

2004 Resolution of Cabinet of Ministers #58 on Customs Tariff. On April 12, 2001, Azerbaijan introduced a new tariff schedule, replacing the previous streamlined tariff regime that was established in 1997 and updated in 1999. In addition to customs duties, an 18 percent VAT was introduced on January 1, 2001.

1995 Azerbaijan Customs Tariff

<http://www.az-customs.net/en/soglashenie1.htm>

<http://www.az-customs.net/en/zakon2.htm>

1997 Azerbaijan Customs Code

<http://www.az-customs.net/en/code1.htm>

1998 Resolution of Cabinet of Ministers #91 - on Customs Duties Rates for Export-Import Operations in Azerbaijan

<http://www.az-customs.net/en/kabmin3.htm>

1998 Resolution of Cabinet of Ministers #160 – on Regulations of Full or Partial Release From Customs Duties and Taxes of Goods Temporary Imported/Exported to Azerbaijan



<http://www.az-customs.net/en/kabmin5.htm>

1999 Resolution of Cabinet of Ministers #25 – on Changes and Amendments to 1998 Resolution #91

<http://www.az-customs.net/en/kabmin5.htm>

2000 Resolution of Cabinet of Ministers #124 – on The List of Imported Commodities Exempted From the Value Added Tax

<http://www.az-customs.net/en/kabmin4.htm>

2001 Resolution of Cabinet of Ministers #48 – on Return to the Taxpayer of Overpaid Taxes, Interests and Financial Sanctions

<http://www.az-customs.net/en/kabmin2.htm>

For more information on legislation regulating customs in Azerbaijan, please visit the website of the State Customs Committee: [www.az-customs.net](http://www.az-customs.net)

### **III. Ports of Entry**

#### **Useful Contacts:**

##### **State Customs Committee**

Address: 2 Inshaatchilar Avenue

Baku 370073, Azerbaijan

Tel: (994 12) 388080

Fax: (994 12) 934067, 981836

E-mail: [external1@az-customs.net](mailto:external1@az-customs.net)

Web: [www.az-customs.net](http://www.az-customs.net)

Contacts: Kamaladdin Fattah oglu Heydarov, Chairman, Colonel-General

Aydin A. Aliyev, First Deputy Chairman, Major-General

Rafael Kh. Mirzayev, Deputy Chairman, Major-General

Rza J. Hasanaliyev, Deputy Chairman, Major-General

Safar Mekhtiyev, Deputy Chairman, Colonel

Dilaver Farzaliyev, Foreign Relations Department



## 1. Name of Port of Entry



### Corresponding Customs House(s) (contact info)

#### Head Customs Administration on Air Transport

Note: Head Customs Administration on Air Transport covers Ganja Airport Post, Gala Customs Post, H.Z. Tagiyev Customs Post

Heydar Aliyev International Airport

Address: Bina settlement

Baku 370109, Azerbaijan

Tel: (994 12) 972777

Fax: (994 12) 972777

#### Department for Protection of Economic interests of Azerbaijan in the Caspian Sea

Note: DPE covers Baku International Port Post, Khachmaz sea control Post, Siyazan sea control Post, Pirallahi sea control Post, Khovsan sea control Post, Garadakh sea control Post, Neftchala sea control Post, Lankaran sea control Post

#### Energy Customs House

Note: Energy Customs House covers Baku Port Post, Dubandi Post, Guzdak Post and Yeni Sangachal Post

Address: 62 Neftchilar Avenue

Tel: (994 12) 938668, 983764

#### Nakhchivan Customs Committee

Note: Nakhchivan Customs Committee covers Julfa Customs House

Address: 6 Azadlig Avenue

Nakhchivan city 373630, Azerbaijan

Tel: (994 236) 5-75-29  
Fax (994 236) 5-75-29

*Julfa Customs House*

Note: Julfa Customs House covers Nekhram Post  
Address: 5 J. Mammadguluzadeh Street  
Julfa city 373620, Nakhchivan, Azerbaijan  
Tel: (994 236) 6-10-46, 6-10-53  
Fax: (994 236) 6-11-12

*Sadarak Customs House*

Note: Sadarak Customs House covers Shahtakhti Post  
Address: Sadarak region 373699, Nakhchivan, Azerbaijan

**Astara Customs House**

Note: Astara Customs House covers Lankaran Post and Masalli Post  
Address: 1 Azadliq Street  
Astara city 373780, Azerbaijan  
Tel: (994 195) 3-31-90  
Fax (994 195) 3-10-06

**Balakan Customs House**

Note: Balakan Customs House covers Muganli Post, Mazimchay Post and Lakhij Post  
Address: Balakan City, 374570, Azerbaijan  
20 Yanvar Street  
Tel: (994 219) 2-18-39

**Bilasuvar Customs House**

Note: Bilasuvar Customs House covers Bilasuvar Post and Salyan Customs Post  
Address: Bilasuvar 373840, Azerbaijan  
8 Mart Street, 2  
Tel: (994 159) 3-34-69

**Ali-Bayramli Customs House**

Note: Ali-Bayramli Customs House covers Kurdamir post  
Address: 14 M.Rasulzadeh Avenue  
Ali-Bayramli 373300, Azerbaijan  
Tel: (994 297) 4-16-92, 4-08-16  
Fax (994 297) 4-16-92

**Yevlakh Customs House**

Note: Yevlakh Customs House covers Shaki Post, Mingachevir and Gabala Customs Post  
Address: 21 Nizami Street  
Yevlakh 374300, Azerbaijan  
Tel: (994 166) 6-44-27  
Fax (994 166) 6-44-27

**Ganja Customs House**

Note: Ganja Customs House covers Samukh Post and Shamkir Hydroelectric Power Station Post

Address: 44 Z. Hajiyev Street

Ganja 374718, Azerbaijan

Tel: (994 22) 56-66-13

Fax (994 22) 56-14-16

**Sumgayit Customs House**

Note: Sumgayit Customs House covers Shirvan Post and H.Z. Tagiyev-1 Post.

Address: 2 Sulkh Street

Sumgayit 373200, Azerbaijan

Tel: (994 164) 5-16-19, 5-60-97

**Tovuz Customs House**

Note: Tovuz Customs House covers 7 posts. Jandargol Post, Girzan Post, Poylu Post, Sinig Korpu Post, Sadikhli Post, Boyuk Kasik Post and 2-nd Shikli Post

Address: 44 I. Murshudov Street

Tovuz 374810, Azerbaijan

Tel: (994 231) 5-62-24, 5-30-10

**Khacmaz Customs House**

Note: Khacmaz Customs House covers 5 posts which include Khanoba Post, Samur Post, Yalama Post, Zukhul Post, Shirvanovka Post

Address: 3 Ashig Alaskar Street

Khacmaz 373150, Azerbaijan

Tel: (994 172) 3-23-56, 3-34-40

**Khudaferin Customs House**

Note: Khudaferin Customs House covers Khoradiz Post and Imishli Post.

Address: Dashburun Settlement

Baylagan region 373410, Azerbaijan

Tel: (994 252) 6-81-33

**Baku Excise Customs Post**

Address: Sulu-Tapa Settlement

Baku 373250, Azerbaijan

Tel: (994 12) 972019

Fax: (994 12) 972019

**Servicing Brokers (contact info)****Blue Water Shipping Caspian**

Description: Customs clearance and consulting; logistics – track and trace; warehousing; distribution and trucking; service and full loads from Europe to Azerbaijan, Georgia,

Kazakhstan, Turkmenistan; air and sea charter; airfreight and carrier service, road and rail service; general freight forwarding; reefer transport and reefer storage; projects and heavy lift transport; transport solution to the oil and energy sector.

Address: “Wellington Heights”, Block AG, 8 Shahbazi Street

Baku 370006, Azerbaijan

Tel: (994 12) 975830, 975831, 975832, 873616

Fax: (995 12) 988164

E-mail: [bws@bws.az](mailto:bws@bws.az)

### **Murphy Shipping & Commercial Services Limited**

Address: 8 Rasul Rza Stree, Apt 15/26

Baku, Azerbaijan

Tel: (994 12) 980151, 450000, 983422, 986641

Fax: (994 12) 939315

E-mail: [freight@murphy.az](mailto:freight@murphy.az)

Contact: Rauf Mamedov, Operation Director

### **Transportation and Communication System of Azerbaijan**

